

## **REMARKS**

Claims 271-274 and 276-283 are presently pending in the patent application.

### **1. 35 U.S.C. § 112 REJECTION**

Claims 272-274, 276, 277 were rejected under 35 U.S.C. 112, second paragraph, as being indefinite. As to claims 272-274, which recited the limitation “the storage medium for storing monetary value” and claim 271 which stated “storing to said card a monetary value,” the Examiner alleged that “[t]he claim does not support a storage medium and further never says that a value is stored on the card”. The Examiner alleged that “[t]here is insufficient antecedent basis for the ‘storage medium for storing monetary value’ limitation in the claim.”

Claim 271 recites “storing on a magnetic or solid-state storage medium of said card a monetary value that is related to said total value”. The claim language of “storing to said card a monetary value” was the prior language of the claim. The Examiner’s rejection thus cites to inapposite claim language and fails to address the current claim language, which recites “storing on a magnetic or solid-state storage medium of said card a monetary value that is related to said total value.” Thus, this rejection is not based on the current claims and is manifestly improper. A determination under 35 U.S.C. § 103 should rest on all the evidence and should not be influenced by any earlier conclusion. *See, e.g., Piasecki*, 745 F.2d at 1472-73, 223 USPQ at 788; *In re Eli Lilly & Co.*, 902 F.2d 943, 945, 14 USPQ2d 1741, 1743 (Fed. Cir. 1990). Office personnel should reconsider any obviousness determination in view of the entire record. *See, e.g., Piasecki*, 745 F.2d at 1472; *In re Eli Lilly & Co.*, 902 F.2d at 945. In other words, all of the proposed rejections and their bases should be reviewed to confirm their correctness. In view of these requirements, and the amendments presented in the April 11, 2011 amendment, it is not understood how the Examiner can then proffer a rejection based on claim language that is not applicable. Thus, the rejection is improper.

Likewise, as to claims 276, 277, the Examiner stated that the claims recited “said storage medium” and that claim 275 merely stated “storing to a card.” Again, the claim language to which the Examiner referred was the prior language of the claim and fails to address the current

claim language, which recites “storing on a magnetic or solid-state storage medium of a card that is not associated with any value a monetary value that is related to said total value.” Thus, this rejection is not based on the current claims and is manifestly improper and must be withdrawn.

In the April 11, 2011 amendment, Applicants clearly stated, responsive to the prior 35 U.S.C. 112, second paragraph, indefiniteness rejection, that “[r]econsideration and withdrawal are requested in view of the amendments to claims 271 and 275 herein, which are submitted to address the noted antecedent basis issues.” Based on the Examiner’s current rejection, it can only be concluded that consideration was not given to the as-presented claims. Applicants request withdrawal of the instant rejection for at least the above reasons.

## **2. 35 U.S.C. § 103 REJECTION OF CLAIMS 271, 275-280**

Claims 271, 275-280 were rejected under 35 U.S.C. 103(a) as being unpatentable over Molbak et al. (5620079) in view of Deerfield (February 1996) in further view of Ristvedt et al. (4966570). Reconsideration and withdrawal of this rejection is respectfully requested.

Molbak was alleged to teach a method of redeeming currency from a customer at a self-service machine (col. 2, lines 40-65). Molbak was alleged to teach receiving, in a bulk coin receptacle located in a first region of the self-service machine, randomly oriented bulk coins input by said customer and moving the coins from the bulk coin receptacle in the first region of the self-service machine to a coin separation module in a second region of the self-service machine. Molbak was further alleged to teach “discriminating, using at least one coin discrimination device disposed downstream of the coin separation module, each coin in the stream of coins to determine whether it is a valid coin” (*citing* Fig 4).

Molbak was further alleged to teach “storing to a monetary value that is related to a total value” and “dispensing from the self-service machine a tangible instrument with the value” (*citing* col. 6, lines 6-20, col. 2, lines 30-60; col. 4, line 59 - col. 5, line 2).

Molbak was acknowledged not to teach that the coins are in a single file stream. To make up for this deficiency, the Examiner cited Ristvedt.

Molbak was further acknowledged not to teach selecting a card from a plurality of cards. To make up for this deficiency, the Examiner cited Deerfield as allegedly teaching

“selecting a card from a plurality of cards that are not associated with any value and storing on a magnetic or solid-state storage medium of a card a monetary value (pg. 1-2).”

After generalized assertions regarding similarities in “characteristics and capabilities,” the generally alleged without evidentiary support that “[o]ne of ordinary skill in the art would have recognized that applying the known technique of Deerfield would have yielded predictable results and resulted in an improved system” and that “[i]t would have been recognized that applying the technique of Deerfield to the teachings of Molbak would have yielded predictable results because the level of ordinary skill in the art demonstrated by the references applied shows the ability to incorporate such card vending features into similar systems”. The Examiner yet further alleged that “applying the ability to purchase a card through the kiosk of Molbak would have been recognized by those of ordinary skill in the art as resulting in an improved system that would allow the users of Molbak to receive a more robust document for the storage of their currency and not merely a paper voucher.”

However, none of Molbak, Deerfield, or Ristvedt disclose or suggest “selecting a card from a plurality of cards of different vendors that are not initially associated with any value,” “storing on a magnetic or solid-state storage medium of said card a monetary value that is related to said total value” and “dispensing said selected card from the self-service machine.” Claim 271 has been amended to make explicit what was already implicit, reciting that the plurality of cards are of different vendors and referring back to the card selected during the selecting step as the “selected” card.

Deerfield discloses that the Maytag Laundry at 282 South Federal Highway in Deerfield Beach was “the first coin laundry in the United States to eliminate the use of quarters, because the Futtters’ store uses ‘smart card’ technology.” According to the Deerfield article, “[a] specially designed unit installed in the coin receptacle area of the washer or dryer accepts the Smartrac(r) smart card” and that “[i]nstead of a change machine, the laundry has a VTM, or Value Transfer Machine, a new machine that allows people to purchase or add value to smart cards with \$1, \$5, \$10 or \$20 bills.” Thus, the Deerfield article discloses that a user of the VTM is allowed to purchase a single value card for varying amounts, such single value card being utilizable only in the laundry machines located at the Maytag Laundry, the direct vendor of the cards contained in the VTM. Thus, Deerfield fails to disclose or suggest “selecting a card from a

plurality of cards of different vendors that are not initially associated with any value”. Whereas the invention of claim 271 is configured to permit a user to select a card from a plurality of cards of different vendors (e.g., different banks, phone companies, transit authorities, etc.) that are not initially associated with any value, the Deerfield article discloses that Maytag Laundry naturally limits the single card dispensed by the VTM to use on the Maytag Laundry’s own laundry machines.

Similarly, Molbak discloses that “[t]he present invention offers a valuable service to the retailer in whose store this machine is placed as well as to the actual user” as “most customers are likely to purchase goods at the store where they exchange their coins” (col. 2, lines 47-60). Molbak further cites as an “advantage” that “a user will receive a combination of both a voucher which can be spent by the shopper on store merchandise,” noting further that “[t]ypically, the shopper will conduct the coin counting operation prior to doing shopping and thus the shopper will be armed with both an incentive for purchasing items in the store and the wherewithall (in the form a ‘spendable’ voucher) to do so.” (col. 23, lines 25-35). Yet further, as to the “security” assertion set forth by the Examiner, Molbak discloses that “[p]rinter 270 is used to print the cash vouchers and the store coupons” and that “[b]esides containing the amount of the voucher, the voucher will also contain other information such as store name, transaction number, bar codes, etc in order to make counterfeiting difficult” and that “[s]pecial papers and inks can also be used to discourage counterfeiting.” (col. 20, lines 10-20). Molbak further discloses that “[t]he printing of various information on the voucher 1910 and the recording of various information about the transaction 1920 serve a number of useful functions” such as that “[p]roviding information on the voucher gives the user an extra opportunity to verify accuracy and/or acceptability of the count and, potentially, detect any malfunctions that may have occurred” and that “[t]he information is also useful to store personnel in verifying accuracy and authenticity of the voucher.” (col. 15, lines 48-55). Continuing, Molbak discloses that “[s]tore personnel may be able to detect an inaccurate or unauthentic voucher if, for example, the voucher indicates a transaction time during which the store was not open, or indicates similar inconsistencies” (col. 15, lines 55-62). Thus, contrary to the Examiner’s assertions, Molbak discloses an **inexpensive** and secure voucher that a user would redeem shortly after issuance. In other words, there is no evidence that the Molbak system requires or suggests a need for a “more robust document”. Papers, such as receipts shoved into billfolds,

wallets, or pockets, are sufficiently robust to last significant periods of time. The voucher of Molbak is perfectly sufficient to perform its function of remaining in existence during shopping and until the user reaches the checkout line or customer service desk, where it can be redeemed. Further, one skilled in the art would be *disinclined* to add new equipment corresponding to such card dispensers to the device of Molbak, as such new equipment would unnecessarily increase the cost of the machine and decrease profits *without* any attendant benefit that solves a need in the market identified at the time (not identified in hindsight 15 years after the fact). “While the analysis under 35 U.S.C. § 103 allows flexibility in determining whether a claimed invention would have been obvious obvious, KSR ...it still requires showing that “there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *Ex Parte Subramanyam* (BPAI March 29, 2010). This “apparent reason” refers to objective evidence, not speculative assertions premised upon logic or conjecture. *See, e.g., Ex parte Butterfield* (Appeal No. 2009-002995, Application 11/671,818)(Bd. Pat. App. & Inter. July 30, 2009); *Ex parte Anders* (Appeal No. 2009-000424, Application 10/759,931)(Bd. Pat. App. & Inter. July 28, 2009); *Ex parte Grunau* (Appeal No. 2009-000614, Application 10/995,959)(Bd. Pat. App. & Inter. July 9, 2009); *Ex parte Preisach* (Appeal No. 2009-003219, Application 10/752,022)( Bd. Pat. App. & Inter. June 30, 2009)(stating that “[a] rejection based on § 103 must rest upon a factual basis rather than conjecture or speculation” and that “[w]here the legal conclusion [of obviousness] is not supported by facts it cannot stand.” *citing In re Warner*, 379 F.2d 1011, 1017 (CCPA 1967) and *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)); *Ex parte Cohen-Solal* (Appeal No. 2008-005770, Application 09/896,199)(Bd. Pat. App. & Inter. June 30, 2009).

As to the Examiner’s numerous pronouncements of “predictability,” predictability, as discussed in *KSR*, encompasses the expectation the prior art elements are not only capable of being combined, but as well that there is the expectation that the combination would have worked for its intended purpose and that there is a cogent rationale for such combination. In *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 567 F.3d 1314 ( Fed. Cir. 2009), for example, the court stated that an inference that a claimed combination would *not* have been obvious is especially strong where the prior art’s teachings undermine the very reason being proffered as to why a person of ordinary skill would have combined the known elements. As but one example, in the present case Molbak discloses the advantages of having a printed

medium wherein the user can themselves *verify* the amount printed on the voucher for accuracy and/or acceptability and to potentially detect any defect that may have occurred (see col. 15, lines 50- 55). This professed advantage is entirely lost if a “card” is printed. Yet further, a card would render Molbak unsuitable for its intended purpose, which is to dispense *vouchers*. Molbak’s own expert, Peter Abell, in prosecution of related cases (e.g., 07/940,931, to which priority is claimed), set forth a definition of “voucher” in a Declaration submitted December 20, 1995, that “to those of skill in the art, referred to an item bearing an indication of an amount and which entitles the recipient to exchange it for cash, or for use, in the same amount, in purchasing any desired products” and that “[a] voucher is not limited to a particular product or group of products and can be for any amount, is not for certain predetermined amounts and is not limited to particular denomination or total amounts.” Molbak’s expert provided an example of a “voucher” (reproduced below), highlighting these characteristic features of a voucher. Accordingly, one of ordinary skill would not seek to replace Molbak’s voucher with a smart card as it would destroy the avowed purpose of Molbak – to dispense a “voucher” in exchange for input coins, said “voucher” being exchangeable in turn for cash or merchandise in the store in which the machine is located. “If proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification.” *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984)(emphasis added). At the very least, Molbak teaches away from the modification proffered by the Examiner for at least the above reason. *See, e.g., In re Caldwell*, 319 F.2d 254, 256, 138 USPQ 243, 245 (CCPA1963) (reference teaches away if it leaves the impression that the product would not have the property sought by the applicant); *W.L. Gore & Assoc, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1550-51, 220 USPQ 303, 311 (Fed. Cir. 1983) (the totality of a reference’s teachings must be considered), *cert. denied*, 469 U.S. 851, 105 S.Ct. 172, 83 L.Ed.2d 107 (1984). Again, Molbak emphasizes the need for a printout that displays, at a minimum, “the amount of the voucher” (see, e.g., col. 15, lines 14-16), which may be supplemented by other information.

Yet further, the Examiner’s assertion of the “obviousness” of the combination of the Deerfield article with Molbak is factually and legally incorrect. The application noted in the Deerfield article is a laundry facility, Maytag Laundry, that was seeking to address a problem of Laundromat customers not having change, whereas Molbak seeks to address a problem of

grocery store customers having too much change and needing to convert it to a paper form that can then be taken to a location having a cash register for redemption. They are directed to purposes that are clearly in opposition. Accordingly, one of ordinary skill in the art would not have been naturally motivated to have make, circa 1996, that combination that is now advanced by the Examiner in 2011. Again, the “voucher” of Molbak was disclosed to completely satisfy the intended purpose of providing a redeemable voucher and the Examiner’s current assertion lacks evidentiary support. It is improper to base a conclusion of obviousness upon facts gleaned only through hindsight. Early on, the Supreme Court has recognized the dangers of hindsight bias, astutely observing that “[k]nowledge after the event is always easy, and problems once solved present no difficulties.” *Diamond Rubber Co. v. Consolidated Rubber Tire Co.*, 220 U.S. 428, 435 (1911). The esteemed Judge Learned Hand likewise identified the problem of hindsight bias making inventions appear obvious after-the-fact because all inventions, at their core, are combinations of prior art, but he emphasized that such an after-the-fact perspective does not prevent an invention from being original. *B. G. Corp. v. Walter Kiddie & Co.*, 79 F.2d 20, 22 (2d Cir. 1935)(Hand, J.). *Graham v. John Deere Co. of Kansas City* warned against a “temptation to read into the prior art the teachings of the invention in issue” and instructed courts to “‘guard against slipping into the use of hindsight’” 383 U.S. 1, 36 (1966)(quoting *Monroe Auto Equipment Co. v. Heckethorn Mfg. & Supply Co.*, 332 F.2d 406, 412, 141 USPQ 549 (CA6 1964))). More recently, the Supreme Court in *KSR Int’l Co. v. Teleflex Inc.* cautioned that the factfinder “should be aware, of course, of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning.” 127 S.Ct. 1727, 1741, 82 USPQ2d 1385, 1397 (2007). *KSR* does not sanction hindsight combination of elements taken from the prior art. Although, as noted in MPEP § 2141 and *KSR*, “in many cases a person of ordinary skill will be able to fit the teachings of multiple patents together like pieces of a puzzle,” however such statement, in context, relates particularly to the Court’s inquiry into the “market pressure” to solve a problem and the “finite number of identified, predictable solutions” that were available to a person of ordinary skill, thereby providing a “good reason to pursue the known options within his or her technical grasp.” 127 S.Ct. at 1742.

Similar remarks as those above apply to claim 278 and claims depending therefrom, which recite that the plurality of cards available for dispensing comprise a first plurality of cards associated with a first issuing entity and a second plurality of cards associated with a second issuing

entity, the first issuing entity being different from the second issuing entity.

For at least the above reasons, it is submitted that the applied combination of Molbak, Deerfield and Risvedt fails to disclose or suggest each and every element of the claimed invention. Obviousness requires a teaching that all elements of the claimed invention are found in the prior art and “a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does” *KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1741, 82 USPQ2d 1385, 1396 (2007). The Examiner has not discharged this burden. Reconsideration and withdrawal of the rejection is requested for at least the above reasons.

### **3. 35 U.S.C. § 103 REJECTION OF CLAIM 272**

Claim 272 is rejected under 35 U.S.C. 103(a) as being unpatentable over Molbak et al. (5620079) in view of Deerfield (February 1996) in further view of Ristvedt et al. (4966570) in further view of Avnet et al. (5291003).

Claim 272 is patentable over the applied combination of references for at least the reasons noted above as claim 272 depends from claim 271. Avnet fails to make up for the deficiencies of the base references, as discussed above.

Further to the above, Molbak was acknowledged not to disclose “the use of a credit card on the machine” and to make up for this deficiency, Avnet was cited as teaching “receiving a credit card in a card module of the self-service machine; accessing, using a communication device, an account associated with the credit card; deducting a specified amount from a line of credit associated with said credit card; and adding to said total value of the bulk coins the specified amount prior to the act of dispensing the card having the storage medium for storing the monetary value that is related to said total value” (*citing* col. 1, line 60 - col. 5, line 40).

Further to the remarks presented above, it is submitted that the Examiner’s proffered assemblage of Molbak, Deerfield, Risvedt and Avnet strains credulity. Molbak did not disclose or suggest anything of the sort that is now created by the Examiner’s parsing of reference teachings. Molbak is directed to finding a convenient way for users

who “tend to collect coins at home, finding that carrying large quantities of coins is unwieldy and impractical” and does so by allowing “the user to periodically exchange excess coins for cash vouchers.” (col. 2, lines 47-64). The Examiner’s proffered modification to combine Avnet to thereby allow addition of value by means of a credit card is illogical. Molbak is directed to converting coins into a voucher that can then be exchanged for cash or merchandise at a checkout counter. There is no apparent motivation, at the time of the invention, to modify Molbak to enable addition of value via a credit card, as the user of Molbak’s machine could simply use a credit card as part of the checkout process to “track expenses”. The Examiner has shown no benefit or motivation for the combination.

The Examiner has not discharged the burden to establish obviousness under 35 U.S.C. § 103. Reconsideration and withdrawal of the rejection is requested for at least the above reasons.

#### **4. 35 U.S.C. § 103 REJECTION OF CLAIMS 273-274**

Claim 273 was rejected under 35 U.S.C. 103(a) as being unpatentable over Molbak et al. (5620079) in view of Deerfield (February 1996) in further view of Ristvedt et al. (4966570) in further view of Mays et al. (5547062) in further view of Ramsey et al. (5842188).

Claim 274 was rejected under 35 U.S.C. 103(a) as being unpatentable over Molbak et al. (5620079) in view of Deerfield (February 1996) in further view of Ristvedt et al. (4966570) in further view of Avnet et al. (5291003), in further view of Mays et al. (5547062) in further view of Ramsey et al. (5842188).

Claims 273-274 are patentable over the applied combination of references for at least the reasons noted above as claims 273-274 each depend from claim 271. Mays and Ramsey, whether taken singly or in combination, fail(s) to make up for the deficiencies of the base references, as discussed above.

It is noted that the statement of rejection for claim 274 fails to set forth any allegation as to Avnet, so the citation of Avent in the asserted rejection is assumed to be erroneous.

Further to the remarks presented above, it is submitted that the Examiner's proffered assemblage of Molbak and Deerfield and Risvedt and Mays and Ramsey strains credulity as to the asserted "obviousness" of the combination.

Again, Molbak itself did not disclose or suggest anything of the sort that is now created by the Examiner's parsing of reference teachings. Molbak is directed to finding a convenient way for users who "tend to collect coins at home, finding that carrying large quantities of coins is unwieldy and impractical" and does so by allowing "the user to periodically exchange excess coins for cash vouchers." (col. 2, lines 47-64). The Examiner's proffered modification to combine with to thereby allow addition of value by means of a bill acceptor is unnecessary. Molbak is directed to converting coins into a voucher that can then be exchanged for cash or merchandise at a checkout counter. There is no apparent motivation, at the time of the invention, to modify Molbak to enable addition of value via a bill acceptor, as cash is already in a convenient form for carry and exchange. The Examiner has shown no benefit or motivation for the combination. According to the Examiner, "[h]aving the option of using a bill allows the user a greater flexibility in the type of currency used to purchase an item." The output of Molbak is a "voucher" that is then used to buy something. For a user having change and bills, for example, Molbak would enable the user to exchange the (heavy and unwieldy) coins into a convenient paper form and, upon checkout, the user could then tender the voucher and bills in a sufficient amount. There is no need for the Molbak machine to, in essence, convert a paper negotiable instrument (US Currency Bills) into another paper negotiable instrument (voucher) that is limited in its ability to be redeemed (i.e., it is redeemable in the store of purchase).

Ramsey's teaching of a "system for an unattended automated service station for selling and dispensing products, primarily motor fuel, cards, from a service island, whereby a purchaser may purchase any selected quantity of motor fuel and pay for such quantity of fuel by a credit or debit card and may receive change in the form of currency and coins from his payment or as a result of a cash advance on the credit or ATM card" teaches nothing more than Mays. The stray citation of "cards" in association with "dispensing" products is nowhere repeated in the balance of the specification and appears to be an error or oversight, as the specification includes no disclosure of dispensing cards (see, e.g., FIG. 4; FIG. 7; FIG. 17, FIG.

17A, FIG. 18). Since the Examiner's statement of rejection stated "see at least Abstract," it is presumed that the Examiner was not able to obtain any other pertinent cite in the Ramsey reference. Ramsey discloses only a system for dispensing gas responsive to the input of a card, cash or coins, and configured to provide change for cash-based transactions. Ramsey also discloses the ability to vend "food, drinks, cigarettes, candies, nonprescription drugs" and the like (see FIG. 3).

The Examiner has not discharged the burden to establish obviousness under 35 U.S.C. § 103. Reconsideration and withdrawal of the rejection is requested for at least the above reasons.

#### **5. 35 U.S.C. § 103 REJECTION OF CLAIM 281**

Claim 281 was rejected under 35 U.S.C. 103(a) as being unpatentable over Molbak et al. (US 5620079 A) in view of Deerfield (February 1996) in further view of Ristvedt et al. (US 4966570 A) in further view of Official Notice.

Claim 281 is patentable over the applied combination of references for at least the reasons noted above, as claim 281 depends from claim 278. Official Notice fails to make up for the deficiencies of the base references, as discussed above.

The Examiner has not discharged the burden to establish obviousness under 35 U.S.C. § 103. Reconsideration and withdrawal of the rejection is requested for at least the above reasons.

If there are any matters which may be resolved or clarified through a telephone interview, the Examiner is respectfully requested to contact the undersigned attorney at the number indicated. The Applicants submit that the claims are in a condition for allowance and action toward that end is earnestly solicited.

It is noted that only portions of the Examiner's assertions are discussed above. Applicant's traverse the Examiner's rejection, in its entirety, and do not agree with the stated facts or conclusions therein. For brevity, only particular aspects of the rejections have been noted herein, which is not to be misconstrued as agreeing with any of the asserted facts, alleged evidence, or asserted conclusions.

It is believed that, beyond the extension of time fee, no additional fees are due; however, should any additional fees be required (except for payment of the issue fee), the Commissioner is authorized to deduct the fees from Nixon Peabody LLP Deposit Account No. 50-4181, Order No. 247171-000373USD1.

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Date

Respectfully submitted,

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